

File Number M/021/008Effective Date 10/9/91

RECEIVED

OCT 08 1991

DIVISION OF
OIL GAS & MININGSTATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

INTERIM RECLAMATION CONTRACT

---oo0oo---

*Released 7/26/95
Original return to
operator 7/27/95*

For the purpose of this INTERIM RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/021/005; M/021/008;
M/021/001 (partial)
(Mineral Mined) Iron Ore

"MINE LOCATION":

(Name of Mine)
(Description)

Comstock; Iron Mountain

"DISTURBED AREA":

(Disturbed Acres)
(Legal Description)

393.5See Exhibit A

"OPERATOR":

(Company or Name)
(Address)

Geneva SteelP.O. Box 2500Provo, Utah 84603

(Phone No.)

(801) 227-9000

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone No.)

Robert A. Johnson

Vice President and General Counsel

Geneva Steel

10 South Geneva Road

Vineyard, UT 84058

227-9000

"OPERATOR'S OFFICER(S)":

Robert J. Grow - President

"SURETY":

(Form of Surety - Exhibit B)

Self Bonding and Indemnity

Agreement (Exhibit B-1)

Surety Bond (Exhibit B-2)

"SURETY COMPANY":

(Name, Policy or Acct. No.)

See Exhibit B-2

"SURETY AMOUNT":

(Escalated Dollars)

\$1,180,500

"ESCALATION YEAR"

1991

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

A DESCRIPTION OF

DISTURBED AREAS

B-1 "SELF BONDING AND

INDEMNITY AGREEMENT"

B-2 "SURETY BOND"

Revision Dates:

This Interim Reclamation Contract (herein referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator has entered into a Reclamation Contract with the State by and through the Division of Oil, Gas and Mining (the "Division") relating to an approved reclamation plan under Notice of Intention (NOI) File No. M/021/008, and has provided surety therefor approved by the Board of Oil, Gas and Mining (the "Board"); and

WHEREAS, the Division and the Operator desire that NOI M/021/008 be modified to include nearby small mining operations of Operator; and

WHEREAS, the Operator has purchased the so-called Comstock Mine from CF&I Company, and that mine is subject to NOI M/021/005 held by CF&I; and

WHEREAS, the Operator has applied for transfer of NOI M/021/005 to Operator, and approval of such transfer requires that Operator enter into a reclamation contract with the Division and provide a substitute surety bond approved by the Board; and

WHEREAS, the Operator has purchased the so-called UII Comstock Plant Area from BHP Utah International, Inc., and that area, together with other properties held by BHP Utah International, Inc., is subject to NOI M/021/001 held by BHP; and

WHEREAS, the Operator has applied for a partial transfer of NOI M/021/001 to Operator, and approval of such transfer requires that Operator enter into a reclamation contract with the Division and provide a substitute surety bond approved by the Board; and

WHEREAS, the Operator and the Division desire to consolidate NOI's M/021/008, M/021/005, and the portion of M/021/001 covering the UII Comstock Plant Area (referred to as "the Subject NOI's") into a single NOI; and

WHEREAS, additional technical data must be provided by Operator and reviewed by the Division in order to finalize the Operator's revised and consolidated reclamation plan and to determine with precision the amount of the surety needed therefor; and

WHEREAS, Operator and the Board have agreed that an interim reclamation contract should be entered into by Operator and the Board and an interim surety bond be provided by Operator to be effective until Operator's revised and consolidated reclamation plan is approved and a final reclamation contract with an accompanying surety bond can be consummated.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Subject NOI's, and the reclamation plans under the Subject NOI's as applicable.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the sureties attached hereto as Exhibits B-1 and B-2 and made a part hereof. Each surety shall remain in full force and effect according to its terms unless modified by the Board in writing. If a surety contract expressly provides for cancellation, then, not less than 30 days prior to the expiration date of the surety, the Operator shall provide a replacement surety in a form and amount acceptable to the Board. If the Operator fails to so provide an acceptable replacement surety, the Division may order the Operator to cease further mining activities and to begin reclamation of the site. In addition, if the Operator fails to so provide an

acceptable replacement surety, the Division may call or draw upon the full amount of existing surety prior to cancellation or expiration.

3. Operator agrees to pay public liability and property damage claims resulting from mining as determined by the Board or the Division, to the extent provided in the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Subject NOI's, and the reclamation plans under the Subject NOI's as applicable.
5. This Contract shall remain in force until superseded by a definitive Reclamation Contract and an accompanying surety bond based upon an approved reclamation plan covering the Disturbed Area to be defined with particularity therein, which should occur within one year of the date hereof. If the Operator fails to secure an approved definitive Reclamation Contract and an accompanying surety covering the disturbed area within one year after the Effective Date of this Contract, Operator will initiate reclamation or petition the Board for an extension of this Contract or for such other relief as may be appropriate under the circumstances. The Operator's liability under this Contract may be partially terminated and the amount of the surety adjusted correspondingly if the Division certifies that the Operator has reclaimed discrete portions of the Disturbed Area in accordance with the Act and implementing rules, the Subject NOI's and the reclamation plans, as applicable.

6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State.
9. If Operator shall default in the performance of the obligations heretofore, Operator agrees to pay all costs and expenses, including attorneys fees and costs generated by the Division and/or the Board in the enforcement of this Contract.
10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.

12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this 3rd day of October, 1991.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

By


Chairman, Board of Oil, Gas and Mining

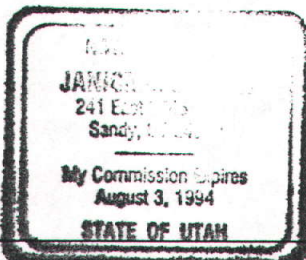
DIVISION OF OIL, GAS AND MINING:

By Dianne R. Nielson
Director

10-9-91
Date

STATE OF Utah)
) SS:
COUNTY OF Salt Lake)

On the 9th day of October, 1991, personally appeared before me, who being by me duly sworn did say that he/she, the said DIANNE R. NIELSON is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



Janice T. Brown
Notary Public
Residing at: Sandy, Utah

My Commission Expires:

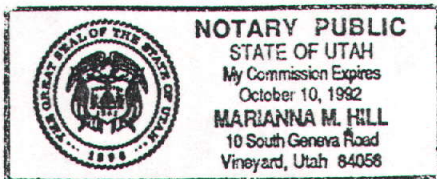
OPERATOR:

By Robert D. Johnson
Corporate Officer - Position

10/3/91
Date

STATE OF Utah)
) SS:
COUNTY OF Utah)

On the 3rd day of October, 1991, personally
appeared before me Robert A. Johnson who being by
me duly sworn did say that he/~~she~~, the said Corporate Officer
is the Vice President
of Geneva Steel and duly acknowledged that said
instrument was signed on behalf of said company by authority of its
bylaws or a resolution of its board of directors and said
Corporate Officer duly acknowledged to me that said
company executed the same.



Marianna M. Hill
Notary Public
Residing at: 10 S. Geneva Rd.
Vineyard, Ut 84058

My Commission Expires:

RECEIVED

OCT 08 1991

DIVISION OF
OIL GAS & MINING

Page 9 of _____

EXHIBIT A

to
Interim Reclamation Contract
Geneva Steel

Description of disturbed areas and estimated reclamation costs. All acreages are subject to adjustment after completion of pending survey.

I. Iron Mountain Mine Area

A. Areas covered by NOI M/021/008

| | | | |
|----|---|----------|-----------|
| 1. | Iron Mountain NE $\frac{1}{4}$ Sec. 2, T37S, R14W | 12 acres | \$36,000 |
| 2. | Blackhawk Fines Area E $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 34, SW $\frac{1}{4}$ Sec. 35, T36S, R14W; NW $\frac{1}{4}$ Sec. 2, T37S, R14W | 27 acres | \$81,000 |
| 3. | Mountain Lion S $\frac{1}{2}$ Sec. 19, NW $\frac{1}{4}$ Sec. 30, T36S, R13W | 53 acres | \$159,000 |

B. Areas not previously covered by NOI's or previously exempt as small mining operations

| | | | |
|----|--|-----------|----------|
| 1. | Burke Pit SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 34, SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 35, T36S, R14W | 1.5 acres | \$4,500 |
| 2. | Chesapeake & Excelsior W $\frac{1}{2}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 25, T36S, R14W | 8 acres | \$24,000 |
| 3. | Tip Top E $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 25, T36S, R14W | 3 acres | \$9,000 |

II. Comstock Mine Area

A. Area included among others and covered by NOI M/021/002 (BHP-Utah Minerals International).

| | | | |
|----|--|----------|-----------|
| 1. | UII Comstock Plant Area W $\frac{1}{2}$ Sec. 29, E $\frac{1}{2}$ Sec. 30, T36S, R13W | 36 acres | \$108,000 |
|----|--|----------|-----------|

B. Area covered by NOI M/021/005 (CF&I Company)

| | | | |
|----|--|-----------|-----------|
| 1. | Comstock Area | 253 acres | \$759,000 |
| | Portions of Sec. 30, T36S, R13W (Original acreage 265. Twelve acres subsequently covered by NOI M/021/008 as item I.A.1 above - Iron Mountain Mine) | | |

| | | | |
|--------|--|--|-------------------|
| TOTAL: | | | <hr/> \$1,180,500 |
|--------|--|--|-------------------|